

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency	:	
	:	
Petition for Approval of its 2017	:	16-0453
Procurement Plan pursuant to Section	:	
16-111.5(d)(4) of the Public Utilities Act.	:	

**BRIEF IN REPLY TO EXCEPTIONS
OF THE
BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
ON BEHALF OF THE
ENERGY RESOURCES CENTER AT THE UNIVERSITY OF ILLINOIS AT CHICAGO**

The Board of Trustees of the University of Illinois on behalf of the Energy Resources Center at the University of Illinois at Chicago (“ERC”), by and through its counsel, and pursuant to Section 200.830 of 83 Illinois Administrative Code 200, “Rules of Practice,” respectfully submits its Brief in Reply to Exceptions in the above-captioned matter. ERC replies herein to the respective Brief on Exceptions of the Illinois Commerce Commission Staff (“Staff”) and Ameren Illinois Company d/b/a Ameren Illinois (“AIC”). Specifically, ERC is responding to exceptions by Staff and AIC that the Commission exclude from the Illinois Power Agency’s (“IPA”) 2017 Electricity Procurement Plan (“2017 Plan”) ERC’s Low Income Multifamily Efficiency Program (“LIMEP”) from the Commonwealth Edison Company (“ComEd”) service territory.¹

¹ ERC is not responding to, and takes no position on, any other exceptions to the Administrative Law Judge’s November 14, 2016 Proposed Order.

Introduction

In response to the Administrative Law Judge's November 14, 2016 Proposed Order, Staff and AIC each filed a Brief on Exceptions in which it recommended that ERC's LIMEP be removed from the 2017 Plan because the LIMEP barely missed a particular score on a test that does not reflect all of the benefits of the LIMEP.² Staff made this argument at page 15 of its Brief on Exceptions. AIC expressed its concurrence with Staff's position at page 4 of its Brief on Exceptions. ERC continues to maintain that reliance on any one test that does not account for all benefits of a program is inappropriate and urges the Commission to adopt the Proposed Order's conclusion on this issue.

Discussion

Staff and AIC both suggest that the Proposed Order has misapplied the relevant law. While the Proposed Order refers to Section 16-111.5B(a)(5) of the Public Utilities Act ("Act"), 220 ILCS 5/1-101 et seq., Staff contends that Section 16-111.5B(a)(3)(D) is not properly considered. This latter section requires "analysis showing that the new or expanded cost-effective energy efficiency programs or measures would lead to a reduction in the overall cost of electric service." Staff and AIC both rely on the Utility Cost Test ("UCT") to conduct such an analysis. Because the UCT score for the LIMEP in ComEd's service territory is 0.95, Staff and AIC contend that the LIMEP fails the statutory requirement and should be excluded from the 2017 Plan so far as ComEd's service territory is concerned.³ Had the UCT score for the LIMEP in ComEd's service territory been 0.05 point higher (a total of 1.0), Staff and AIC would presumably be satisfied that

² A brief description of the LIMEP is available in ERC's October 21, 2016 Response to Staff's Objections at pages 1 and 2.

³ ERC notes that the LIMEP received a UCT score greater than 1.0 in AIC's service territory.

spending on the LIMEP would produce at least an equal amount of benefits and therefore, all else being equal, appropriate for inclusion in the 2017 Plan.

ERC does not read the statutory language differently than Staff and AIC. Nor does ERC dispute that the LIMEP received a UCT score of 0.95 within ComEd's service territory. ERC's point is that the UCT score is not reflective of all of the benefits of the LIMEP. For years, the IPA itself has considered the UCT for informational purposes only. (2017 Plan at 127) For the Commission to now accord to the UCT the weight that Staff and AIC recommend would not only conflict with the utility requests for energy efficiency program proposals that underlie the 2017 Plan but may also deprive customers, particularly low-income customers, of energy efficiency program benefits under future procurement plans.

ERC's October 21, 2016 Response to Staff's Objections identifies some of the benefits not considered by the UCT. ERC urges the Commission to consider the fact that by reducing low income energy bills, the LIMEP:

- makes energy more affordable for the participating low income households;
- reduces the number of households unable to afford monthly energy payments;
- can help to break the disconnection-reconnection cycle for many low income households;
- reduces arrearage collection expenses and uncollectible accounts;
- reduces or eliminates the need for energy assistance for many participating households; and
- enables households to participate in the Low Income Home Energy Assistance Program ("LIHEAP") that otherwise would not have received benefits.

(Generally, funding for LIHEAP is insufficient for the need.) (ERC October 21, 2016 Response to Staff Objections, pp3-4)

The benefits factor of the UCT calculation (and of the Total Resource Cost test calculation as well) does not capture the full benefits of energy efficiency programs that target low income households.

The Proposed Order reflects this argument: “It is clear to the Commission that ERC’s LIMEP program will provide many benefits, which are not captured in the UCT test. The Commission notes that this program is designed to lower the bills of low income households, which will reduce the number of households that are unable to make monthly energy payments and thereby reduce the utility’s uncollectible expense.” (Proposed Order, p103) The Proposed Order accurately captures ERC’s argument and the reality that a program such as LIMEP will bring benefits not only to the participants but to all customers through reduced utility expenses. Capturing any of that additional benefit in the UCT calculation would most likely raise the UCT score to more than 1.0. ERC is confident that the LIMEP will not increase the cost of electric service for ComEd customers and should be included in the 2017 Plan.

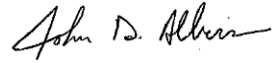
Conclusion

For the foregoing reasons, ERC urges the Commission to reject the position of Staff and AIC and adopt the Proposed Order’s conclusion on the inclusion of the LIMEP in the 2017 Plan as proposed by the IPA.

Dated: December 2, 2016

Respectfully submitted,

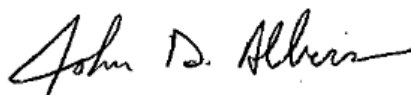
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A handwritten signature in black ink, appearing to read "John D. Albers".

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CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that he has caused the Brief in Reply to Exceptions of the Board of Trustees of the University of Illinois on behalf of the Energy Resources Center at the University of Illinois at Chicago in Docket No. 16-0453 to be served on each of the following persons on the Service List by e-mail on December 2, 2016.



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